

FISCAL NOTE

Bill #: HB0597

Title: Regulate elevator contractors and mechanics

Primary Sponsor: Wagman, P

Status: As Introduced

Sponsor signature _____ Date _____

Chuck Swysgood, Budget Director _____ Date _____

Fiscal Summary

	<u>FY 2004</u> <u>Difference</u>	<u>FY 2005</u> <u>Difference</u>
Expenditures:		
State Special Revenue	\$5,170	\$5,000
Revenue:		
State Special Revenue	\$11,300	\$1,800
Net Impact on General Fund Balance:	\$0	\$0

- | | |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts |
| <input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

Fiscal Analysis

ASSUMPTIONS:

1. The Department of Labor and Industry would assume the responsibility of issuing licenses for elevator contractors and elevator mechanics. While the number of elevator contractors and elevator mechanics that would be required to apply for a license is unknown, the assumption is that approximately five elevator contractor licenses and 45 elevator mechanics licenses will be issued beginning January 1, 2004. In addition, there would be six temporary licenses for an elevator mechanic and five temporary licenses for an elevator contractor in both FY 2004 and FY 2005.
2. Current staff would be able to absorb the additional workload associated with the implementation of this act.
3. Operating expenses in FY 2004 include administrative rule notices & mailings (\$500); printing of forms and brochures (\$170), programming of database for new license type and licenses (\$1,000), and indirect and recharges which include legal resources (\$3,500) for an estimated cost of \$5,170 in FY 2004. Operating expenses in FY 2005 will include an allocation based upon time and labor of the Department of Labor and Industry associated with the administration of this program. The allocation will be made after it has been determined the actual time that is associated with the administration of this Act and the recharges for all of the boards will be allocated accordingly. The operating charge per year is estimated at \$5,000.

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(continued)

4. In FY 2004, total revenue to be collected is estimated at \$11,300 based upon an original licensure of 45 elevator mechanics at a fee of \$200 (\$9,000), original licensure of five elevator contractors at a fee of \$300 (\$1,500), temporary licenses of six elevator mechanics at \$50 (\$300), and temporary licenses for elevator contractors at \$100 (\$500). The licenses would be valid for two years and would not be required to be renewed until FY 2006. The only revenue that would be collected in FY 2005 is new applications with total income projected at \$1,800.
5. All elevator mechanics and elevator contractors would be required to take an examination under Section 16 of the bill. The department would contract with a third-party to provide for and conduct the examinations. Based upon information obtained from a national testing service, an applicant for a license would pay approximately \$175 for an elevator mechanic examination and \$200 for an elevator contractor license.

FISCAL IMPACT:

	FY 2004 <u>Difference</u>	FY 2005 <u>Difference</u>
DOLI Program 05		
<u>Expenditures:</u>		
Operating Expenses	\$5,170	\$5,000
<u>Funding of Expenditures:</u>		
State Special Revenue (02)	\$5,170	\$5,000
<u>Revenues:</u>		
State Special Revenue (02)	\$11,300	\$1,800
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
State Special Revenue (02)	\$6,130	(\$3,200)

LONG-RANGE IMPACTS:

1. The long-range impact depends on the number of elevator mechanics and elevator contractors that receive a license or temporary license in the future and any legal actions that may be instituted as a result of a violation of the act. If it is determined that there is a significant amount of time and labor required for the administration and enforcement of this act, additional FTE may be requested in the future.